fund.

BRIEFS

China fixes new zone for foreign investors

NANJING, June 7: Nantong, one of china's first 14 open coastal cities in Jiangsu province, set aside recently a new zone to attract foreign investments for development purposes, reports Xinhua.

According to local officials, the new zone, covering an area of some 40 sq km is located in the Nantong economic and technological development zone and along the Yangtze river. So far, the number of foreign-funded enterprises in Nantong surpasses 200.

Since the central government announced its approval of the opening of the new Pudong area in neighboring Shnghat, the city has put forward a series of new measures to open itself wider to the outside world.

Prices quadruple in Moscow

MOSCOW, June 7: Moscow shoppers found milk and bread prices quadrupled Saturday after city government lifted price controls on the low-cost staples Russians increasingly turned to when other food became too expensive, reports

Milk and bread had been spared when the government lifted price controls on most goods Jan 2, which sent prices for other foodstuffs skyrocketing and forced changes in the Russian diet.

Commonwealth television said the prices rises only af fected Moscow.

In a television interview Friday, Yevgeny Pantercyev, a minister of the Moscow city council, said the government had to free prices because i was unable to continue the huge subsidies that kept milk and bread at artificially low

No paper to print money

ZAGREB. June Yugoslavia's national bank could run out of paper to print its hyper-inflationary currency because of a world trade em bargo, its Slovenian suppliers said on Friday.

But although dramatic, that could be one of the few effects that the sanctions on Serb-led Yugoslavia would have no trade links with Creatia and Slovenia as these are almost non-existent, economic experts in the two new states said.

Until sanctions were imposed against Serb-led Yugoslavia, a small Slovenian firm was supplying the Yugoslav national bank with paper for printing banknotes.

Canada freezes Haitian assets

OTTAWA, June 7: Canada has ordered a freeze on Haitain assets under new legislation speeding adoption of economic sanctions against governments that violate human rights, reports Reuter.

"Canada is committed to making every effort to bring about the return of the constitutionally elected government of Haiti," Foreign Minister Barbara McDougall said in a statement released on Friday.

The freeze was ordered under the special economic measures act that went into effect on Thursday empowering the Canadian government to adopt sanctions without waiting for parliamentary approval.

Indian dolphins face extinction

NEW DELHI, June 7: Indian fresh water dolphins, called Sonsh in local parlance, face the danger of extinction, reports Xinhua.

The Times of India quoted a study report undertaken by a group of research scholars of Patna University as saying that more than 100 dolphins are killed every year in the eastern state Bihar stretch of the Ganga river alone as a result of both casual and deliberate catches.

Though the state government declared a stretch of 50 km from Sultanganj to Kahalgao as a dolphin sanctuary way back in 1990, no worthwhile effort has been made till date to devise ways an means to preserve this unique genetic mammal, the report said.

old output of Russia to slump

MOSCOW, June 7: Russian gold production is expected to fall 30 per cent this year and another 50 per cent in 1993, the head of the country's gold industry was quoted as saying Saturday, reports Reuter.

The authoritative daily newspaper Izvestia said Valery Rudakov, head of the state gold and diamond company Rosalmazzoloto, had confirmed the

forecast by leading producers. "The situation in this industry has acquired a catastrophic character," the paper said.

BCCI creditors demand double the proposed compensation

LONDON, June 7: Creditors of the closed Bank of Credit and Commerce International (BCCI, CN) think its Abu Dhabi majority shareholders should put up nearly twice as much money to compensate them than so far on offer, a member of a British creditors' commit-

tee said on Saturday, reports Accountants Touche Ross as liquidators of the Bank of Credit and Commerce Interna tional go to the English High Court on Monday to seek approval for a plan to compen-

sate thousands of people

money when the bank was Acting on suspicion of huge fraud, regulators ended its operations in many countries last

But creditors are angry that they are being offered only 30

around the world who lost



DOZE FOLLOWS DILLY-DALLYING: Upper House members dozing on early June 6 during a plenary session after the Diet was forced to stay in session all night due to stalling tactics by opposition members trying to delay the passage of the UN peacekeeping operation bill. The bill permits the sending of troops overseas for the first time since World War II. -

'US drowing in debt'

Biodiversity treaty

Japan will join EC to

break with USA

WASHINGTON, June 7: President George Bush, promoting a constitutional amendment requiring a balanced budget, said Saturday the United States was "drowning in debt", reports In the latest of a flurry of

speeches and events backing the amendment, Bush said it was time to stop treating the US treasury "like the corner cash machine".

"When you hear about a deficit measured in hundreds of billions of dollar, remember, that's not monopoly money," he said in a radio address to

"Someday, that debt must be paid with your money, as sure as your own personal debts will have to be paid with your money. It's unacceptable when this spending riptide has us drowning in debt, dragging

RIO DE JANEIRO, June 7:

Japan will join Britain and the

11 other members of the

European Community in break-

ing with the United States to

sign a treaty to protect threat-

ened species, officials said

States alone among the major

economic powers in opposing

the so-called biodiversity con-

vention, one of the corner-

stones of the United Nations

to sign the treaty, saying,

"We're going to keep on this

path ... I must, as President,

and will, as a human being,

keep in mind the needs of

American families to have

there is no excuse for the

Americans not signing," said

Russell Mittermeier, a biolo-

gist and President of

Conservation International in

Japanese have on the details

apply to the other industri-

alised nations as well. If they

sign, there's no question the

convention is more important

than the summit's other prin-

ciple document, the global

warming treaty, "because loss

of biodiversity is an irre-

"We have the technologies

US should be signing."

versible process.

The same concerns the

He said the biodiversity

"With the Japanese signing,

President Bush has refused

That leaves the United

Saturday, reports AP.

Earth Summit.

Washington, DC.

jobs."

us further out to sea".

Bush has spent much of the last week trying to build support for an amendment requiring the federal government to balance outlays and receipts. Amendment proposals are expected to come to a vote next week in the House of Representatives.

House speaker Thomas Foley said on Thursday the amendment was losing momentum.

But representative Charles Stenholm, a Texas Democrat, said he had enough votes to pass his amendment proposal which would require a 60 per cent vote of all members of Congress to permit a deficit.

Currently, the federa deficit is estimated at about 350 billion dollar, which the national debt - the sum of all past deficits - is pushing four trillion dollar.

lose a species of plant or ani

mal, it's gone forever," he said

treaty said it was "studying ar-

ticles with a view to signing

tion's spokesman, said, "In our

system, we won't say we are

studying certain articles and

then decide later not to sign

lated into Japanese and pre-

sented to the Japanese cabinet

for approval, he said. But the

suggested that was merely a

formality. He said Japan might

complete the process in time

to sign the treaty by the end of

the Earth Summit on June

A spokesman for the

European countries, conscious

of the difficult position the

United States was in, said the

European Community planned

to join President Bush in his

dirs 150 million proposal to

help preserve tropical forests,

the United States," Brinkhor-

est told a news briefing, "We

don't want a slugging match of

everybody against the United

not formally announced its in-

tentions, but he predicted that

England would sing before the

summit ends. England's Prime

Minister John Major met with

Bush Saturday to discuss Earth

Brinkhorst said Britain has

"We regret the isolation of

Laurens Jan Brinkhorst said.

The treaty must be trans-

the convention."

Japan's statement on the

Sadaaki Numata, the delega-

Sales tax in Pakistan protested

ISLAMABAD, June 7 Markets in several Pakistani cities were partially closed Saturday in protest against a tax on sales, reports reaching here said, according to AFP.

The mixed response to a strike call followed a government announcement Friday that instead of shopkeepers and traders the 12.5 per cent tax would be collected from manufacturing units.

The concession appeased some trade bodies, but others refused to call off the strike because their demand for the tax to be scrapped was not

Reports said the striking traders held peaceful rallies a some places.

France slates US rejection of treaty on biodiversity

PARIS, June 7: France's Environment Minister accused the United States on Saturday of blocking attempts to protect the environment by refusing to sign a treaty aimed at preserving plant and animal species, reports Reuter.

"One of the biggest nation of the world ... does not have the right to apply the breaks to the enormous and fantastic under taking of an Earth Summit," Segolene Royal told French Television FR3.

"Even if the United States does not budge, or if it continues to say it is the best while refusing to commit itself on specific issues, Europe will move forward," she added.

Almost alone at the UN Earth Summit in Rio de Janeiro, the United States had declined to sign the interna tional treaty on biodiversity to protect plants and animals against the threat of extinc-

The treaty is the result o more than two years of negoti-

Five kg gold nugget found

MOSCOW, June 7: A gold nugget of almost five kilograms (11 pounds) has been found in Bashkiria in Russia's Ural mountains, the Itar-Tass news agency said here Friday, reports AFP.

The nugget, which weighs exactly 4,974 grams (176 ounces), was found in the field of an agricultural cooperative by a tractor driver.

ie handed it over to the directors of a mine in Bashkiria, Itar-Tass said.

lawyers Norton Rose, made available to Reuters, says Abu Dhabt should inject 3.2 billion dollar instead of dollar 1.7 billion so far proposed. Abu Dhabi has said it will not renegotiate arrangements which took six months to

tribution to a compensation

creditors by London-based

A confidential report to

complete. The majority shareholders, who include the ruler. Shetkh Zaid bin Sultan Al-Nahayan, say they sympathize with creditors but said in a statement that they were themselves "the largest victims ... having lost billions in misappropriated

to 40 cent per dollar on their The compensation plan has claims and expect to resist the backing from Touche Ross, liquidators in the hearing. They say they could get more if Abu Dhabi raised its eash con-

Abu Dhabi and the Bank of England - but seven of the eight members on the British Creditors Committee recommend rejecting it and cite the Norton Rose report. Norton Rose was appointed

last month after the High Court adjourned a hearing to approve the plan, saying creditors had a right to more information and independent advice.

The creditors now claim that Abu Dhabi signed promissory notes and gave guarantees to stand behind the bank to the value of around 4.35 billion The promissory notes were

discounted in international financial markets by around

1.15 billion dollar leaving Abu Dhabi promising some 3.2 billton dollar in financial support in preparation for a global re-

structuring of BCCI. Even though the restructuring never occurred, because of the closure, creditors insist Touche Ross should hold Abu Dhabi to its promissory notes to improve the compensation

The least the (Abu Dhabi) government should do ... is to inject the funds promised in May/June 1991 ... which total 4.35 billion dollar less the 1.15 billion dollar discounted notes for BCCI.

This would give total compensation of 3.2 billion dollar. says the Norton Rose report.

Two members on the British Creditors Committee are investigating the possibility of removing Touche Ross as liq-

uidator, said Hal Skolnick, a representative for Sheerbonnet, a privately-owned com-

ny with some 37 million doiar of claims and which sits on the Creditors Committee. Some creditors are unhappy

that Touche Ross is pursuing the present compensation plan, despite the Norton Rose They are ready to block the plan in the courts in Luxem-

bourg where BCCI also operated if it is approved in the British hearing which is due to last three days. Touch Ross has said that a

collapse of the compensation plan could lead to years of costly and uncertain litigation.

Spokesmen for Touche Ross and Abu Dhabi were not immediately available for new comment on Saturday.

\$ 600 billion

green market'

by 2000

likely

The global market for envi-

ronmental goods and services

is expected to double to 600

billion dollar by the end of this

decade, officials of a World

Bank subsidiary said, reports

environment unit of the Inter-

national Finance Corporation

(IFC), presented a report on

the new market at the Earth

Summit, the UN Conference

on Environment and Deve-

environmental goods and ser-

vices is expected to grow

rapidly during the next

decade, doubling from roughly

300 billion dollar to 600 bil-

lion dollar by the year 2000,"

The study said opportuni-

ties for private environmental

investment in developing

It focused on nine middle-

income nations - Poland,

Hungary, Turkey, Pakistan,

Indonesia, Malyasia, Thailand,

"The (environmental) prob-

countries were growing fast.

The worldwide market for

Martyn Riddle, head of the

Reuter.

opment.

the report said.

Chile and Mexico.

RIO DE JANERO, June 7:

Special court set up to settle scam case

Mehta, others refused bail

NEW DELHI, June 7: An Indian judge has refused bail for stock broken Harshad Mehta and nine other suspects in a billion dollar bond fraud case, press reports said Sunday, according to AFP.

They were ordered to be kept in eustody until June 19 by additional metropolitan magistrate PK Naiknavare who delivered the ruling late Saturday after hearing counsel counsel argue for a marathon 11 hours, the Indian Express and other newspapers reported.

"Big buil" Mehta's attorney Krishnakant Desai, said his client was innocent and had done nothing wrong in the scam, which has shaken banks and stock markets since it came to light in April, the reports said.

Desai said Mehta had been engaged in "sophisticated and scientifie" business, and accused the Central Burau of Investigation (CBI) of gathering information with "Jaundiced

Counsel argued that the stockbroker had only explotted loopholes in the law and was not responsible for the loopholes themselves.

Relatives of the 10 defendants who all pleaded not guilty chanted prayers in the packed courtroom seeking di-

TOKYO, June 7: Japanese

direct investment abroad fell

sharply in the fiscal year end-

ing in March, due mainly to a

slowdown in the world econ-

omy, the Ministry of Finance

buying stakes in foreign firms

and factories, dropped for the

second consecutive year to

41.58 billion US dellar in

1991-92 from 56.91 billion US

Japanese firms building facto-

ries overseas because of in-

creasing difficulty in raising

funds after continued falls in

fined as buying a stake of more

than 10 per cent in a firm and

expending loans of more than

The officials said direct in-

vestment in North America fell

to 18.82 billion US dollar in

1991-92 from 27.19 billion US

dollar in 1990-91, while that

in Asia fell to 5.94 billion US

dollar from 7.05 billion and

that in Europe to 9.37 billion

BEIJING, June 7: China is.

to seek a loan of 2.2 billion US

dollar from the Asian Devel-

opment Bank to boost the

economy of its poorer hinter-

land regions, a top banking of-

ficial was quoted as saying to-

loan request to the Manila-

based bank during a ten-day

meeting next month to discuss

assistance to China, Zhang

Ming, Director of the interna-

Beijing is to present the

day, reports AFP.

Direct investment is de-

Ministry officials said fewer

dollar in 1990-91.

Tokyo stock prices.

one year.

Direct investment, such as

said Friday, reports Reuter.

vine intervention on behalf of the bail application which the judge rejected in an order that took three hours to deliver.

The CBI, India's chief in vestigating agency, had called for a two-week demand of the suspects on grounds that it needed the time to carry out more investigations.

Mehta, his brother Ashwin and three of his employees, three officials of the State Bank of India (SBI) and two of the National Housing Bank have been arrested on a range of charges including cheating, forgery and falsification of ac-

Another report from Delhi says: India's President Ramaswamy Venkataraman issued an ordinance to set up a special trial court to deal with the country's worst financial scandal, an official spokesman The spokesman told Reu-

ters the ordinance paved the way to set up a special court to try offences "relating to transactions in securities and for other related matters". The Indian president issues an ordinance as a temporary

emergency measure to set up new laws when parliament is not in session. The parliament has to ratify

Japan's investment abroad falls

US dollar from 14.29 billion

ica accounted for 45.3 per

cent of total investment in

1991-92, and that in Asia and

Europe represented 14.3 per

cent and 22.5 per cent, re-

direct investment in Japan

rose to 4.34 billion US dollar

in 1991-92 from 2.78 billion

US dollar in the previous year

as more foreign manufacturers

capacities in Japan.

moved to increase production

monthly drop in Japan's bal-

ance of payments surplus will

do little to silence criticism

because the fall was seasonal

and the rising trend remains

intact, economists said on Fri-

April) did not indicate Japan's

growing surpluses have come

to end," said Masayuki

Meanaka, a senior economist

at the Industrial Bank of Japan.

seasonal factors, the current

China to seek \$2.2b ADB loan

China hopes to obtain one

billion dollar from the ADB in

1993 to finance agricultural,

energy, paper production and

environmental protection pro-

is to request 1.2 billion dollar

for the construction of hydro-

electric plants, railways and

roads in Northeast China,

which has fallen behind the

booming southern coastal

For 1994, Zhang said, China

jects, Zhang said.

as saying by the China daily.

Without being adjusted for

"The monthly drop (in

An earlier report says: A

The ministry said foreign

spectively.

Investment in North Amer-

it to give it legal sanction.

The spokesman said the ordinance provided for the confiscation of the assets of suspects.

The spokesman said the Bombay High Court was being asked to nominate a judge to preside over the trial in the 30-billion rupee (one billion dollar) financial scandal.

Singh's quitting demanded

An earlier Reuter report from Bombay says: India's worst financial scandal brought opposition demands Saturday for Finance Minister Manmohan Singh to resign, as police predicted more arrests.

The right-wing Bharatiya Janata Party (BJP), India's main opposition party, said Singh should quit on moral grounds in a 30 billion rupee (one billion dollar) scandal over illegal stock dealings. The Janata Dal, party of

former Prime Minister Vishwanath Pratap Singh, demanded a parliamentary probe, charging that federal cabinet members had a hand deals uncovered by investigators that Indian newspapers call "the

CBI sources said they expected to make further arrests, but declined to say who they might target next. "It should be very soon.

account widened to a 9.75 bil-

7.99 billion US dollar in April

billion in March, the Ministry

of Finance said.

March 1992.

lion US dollar surplus from

1991 but dropped form 13.58

The month-on-month drop

in the April current accounting

of the balance of payments -- a

broad measure of trade in

goods and services --- was

mostly due to the lifting of a

temporary tax levted on otl

imports from April 1991 to

the figures in May but the basic

trend of growing trade and

current accounting surpluses

will remain high," Maenaka

A finance ministry official

admitted the current account

surplus would keep gradually

rising although it was unlikely

to start growing at a faster

are still trending up and have

not yet peaked out," said Don-

ald Kinball, a senior economist

between 800 million and one

billion dollar from the ADB this

and Shanghai have increasingly

been turning their backs on

Beijing and establishing direct

economic links with Hong

Kong, Japan, South Korea and

China has already obtained a

loan of 200 million dollar from

the ADB to build a railway in

Guangdong and another 50

Areas such as Guangdong

at Mitsubishi Bank.

year, he said.

"Japan's growing surpluses

"The tax move may affect

lems are so large that you can't leave them to governments," Riddle told a news confer-"We're saying it's a business

opportunity for the private sector which the IFC wants to invest in.

Qatar sells gas to Italy

DUBAI, June 7: The Gulf state of Qatar, seeking new revenue sources as its oil runs dry in the next century, has singed a big contract with Italy in its first sale of natural gas to Europe after securing a niche for its gas in Japan, reports

Qatar wants to use its vast offshore north field natural gas reservoir, the biggest single gas accumulation in the world with estimated reserves of up to 500 trillion cubic feet, to cash in on the growing demand for cleaner natural gas due to environmental worries in the West.

The Qatar News Agency (QNA), which reported the deal on Thursday, said Qatar signed the joint venture agreement with Snam SPA, part of Italy's state-owned Ente Nazionale Idrocarbori (ENI), and the US oil Tycoon Nelson

One out of ten refugees in the world is European GENEVA, June 7: About one

Bumker Hunty.

in 10 of the world's refugees are now European, as a result of the Yugoslav conflict, reports Reuter.

UN High Commissioner for Refugees spokeswoman Sylvana Foa told a news conference here were now about 1.7 million Yugoslav refugees or displaced people - out of a world total of about 17 million. About 3,75,000 refugees are

believed to be in other European countries, 2,75,000 of them formally registered.

million for a road in the northtional department of the Peoprovinces. to combat most other envi-Tubinskiy, in southern Summit issues, among other eastern province of Liaoning. China has already obtained ple's Bank of China was quoted ronmental fils, but once we Prices: Danish poll pushes up goldwhile sugar, edible oils firm

LONDON, June 7: Uncertainty over the future of European Union after the rejection of the Maastricht Treaty by the Danes briefly helped gold this week as dealers took refuge in gold as shares and currencies

Gold: Steady. Gold passed the 340 dollar/ounce threshold after the Danish vote to reject the Maastricht Treaty on European Union and announcement of a referendum on the treaty in France, but quickly fell back after initial worries over European Union

The fall was then steaded by a firming platinum and by slowdowns in two South African gold mines. Harmony Gold Mining Company anBut after having reached its highest level for three and a half months, it fell back on profit-taking.

Copper: Firmer. Prices rose throughout the week despite some resistance as dealers

considered both the potential of increased demand with a reviving American car industry and signs of a falloff in supply. Lead: Firmer. Prices rose steadily through the week be-

fore surging Thursday with

some technical factors and

high of 268,825 tonnes.

Aluminium: Easier. After firm start, bullish hopes on the market over the apparent stabilising of world visible stocks slipped on the view that inventories might still remain too

A higher level of demand than is promised for the second half of this year is needed if the market is to soak up its existing stocks, traders said. LME aluminium stocks rose

13,000 tonnes over the week

Sugar: Firm. Rates firmed despite rumours indicating that China has sold between 80,000 and 100,000 tonnes to a French trader.

firmness to the drought in southern Africa and a strong demand in the Commonwealth of Independent States, which, according to unconfirmed figures, has been buying around 200,000 tonnes of white sugar per month for the past two or three months.

Brokers attributed the

duction areas.

Prices for palm oil were supported by statistics published by US officials in Kuala Lumpur, predicting a two per cent reduction in Malaysian stocks of palm oil by the end of 1991/2 (October-September) from 817,000 tonnes to 800,000.

Crude Oil: Firmer. The price of North Sea Brent passed the 21 dollar/barrel barrier for the first time in six months.

ber prices fell on the London market, reflecting weak demand from tyre manufacturers. Brokers noted that buying traditionally rises in June before the factories' summer holidays, but not this year. Grains: Firm. Prices of

one, but that purchases would

wheat and barley strengthened after a hesitant start. A Russian agriculture official seid Russia would need to buy 11 to 12 million tonnes of additional cereals between now and July

that it would be offered, brokers reported. Tea: Uncertain. The de-

Dealers predicted that the market would remain unstable in coming months because of a fall in the production of principal exporting countries, mainly due to droughts, would be compensated for by an improvement in the weather conditions in the north of In-

grades and 86 pence for lower

grades.

depend on credit guarantees Vegetable Oils: Stronger. The rise increased gains set to 1,251, 125 tonnes. possible "speculative consumer nounced the loss of 5,000 jobs, Prices of vegetable oils lifted off last week by the OPEC de-Coffee: Lower. Prices interest" enlivening the nora quarter of its staff, at its on the back of a good soya oil cision to maintain production dropped in reaction to the mally moribund market, mine in the Orange Free State. practically unchanged until the price, up in Chicago after poor loose agreements reached last Silver: Fall after strong rise. traders said end of September when an inrainfall in the midwestern week by producers at the In-As with platinum, silver was Zine: Weak. Zine prices mand was selective at the United States. The gains fell crease in consumption is externational Coffee Organisation were pressured by ample suphelped by perceptions of an weekly London auction where pected in the third quarter. back by the end of the week fICO) on outlines of a new inply, with LME stocks rising by improvement in economic the average price was 155 Rubber: Weak. Natural rubafter rain fell in the soya proternational coffee agreement. 3,300 tonnes to a new record pence per kilo for higher trends in the United States. wavered, reports AFP. grades, 103 pence for medium